National Agricultural Statistics Service
New Mexico Statistical Office

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Weekly Ag Update

Issue 55-23

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Crop Weather Farm Labor Dairy Outlook

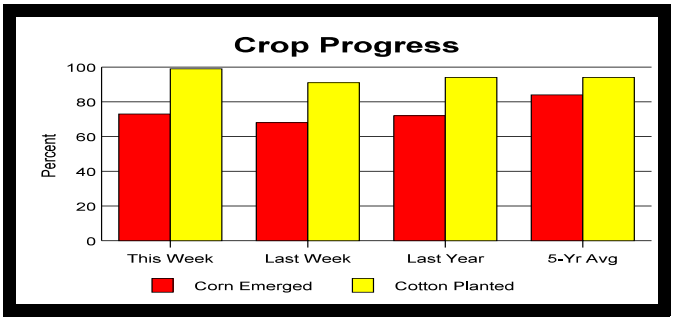
Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

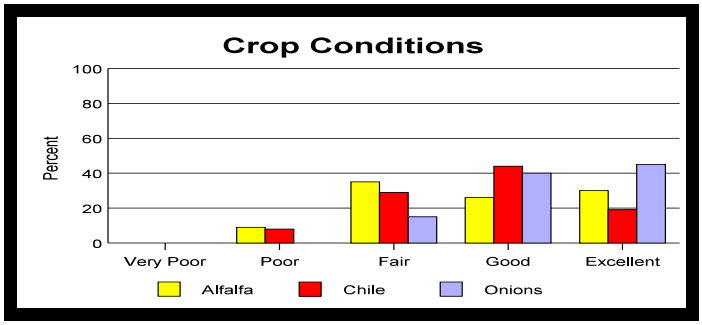
CROP SUMMARY FOR THE WEEK ENDING MAY 29, 2005

NEW MEXICO: There were 6.4 days suitable for fieldwork. Topsoil moisture was 4% very short, 29% short, 62% adequate, and 5% surplus. Wind damage was 19% light and 15% moderate. Hail was reported in the southeast. Farmers were busy irrigating, cleaning ditches, fighting alfalfa weevils, and planting and harvesting crops. Alfalfa was in mostly fair to excellent condition, with the first cutting almost complete and 33% of the second cutting complete. Corn and cotton were in mostly good to excellent condition and both were nearly all planted. Sorghum was 25% planted. Winter wheat was in mostly fair to good condition and was 99% headed. Peanuts were in good condition with 45% planted, mostly in the south eastern part of the state. Both chile and onion conditions improved over the week, and onions reached 25% harvested. Pecans were good to excellent and nut set was 2% light, 65% average, and 33% heavy. Ranchers were busy moving cattle and tending to animals. Supplemental feeding continues to decrease. Cattle were reported as 2% poor, 47% fair, 39% good, and 12% excellent. Sheep were 4% very poor, 6% poor, 41% fair, 36% good and 13% excellent. Range and pasture was reported as 4% very poor, 12% poor, 39% fair, 42% good, and 3% excellent. Compared to the five year average of 27% very poor, 32% poor, 30% fair, 11% good, and 1% excellent, our range and pasture is looking much better.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

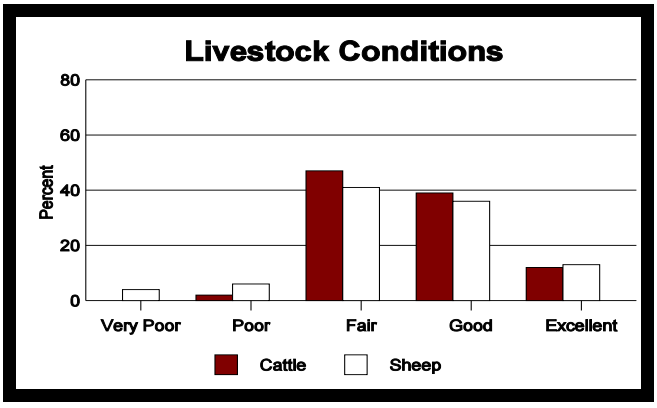
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CORN	Emerged	73	68	72	84
COTTON	Planted	99	91	94	94
ONIONS	Harvested	25	N/A	24	18
PEANUTS	Planted	45	35	62	56
SORGHUM (ALL)	Planted	25	12	17	22
WHEAT (ALL)	Headed	99	97	92	97





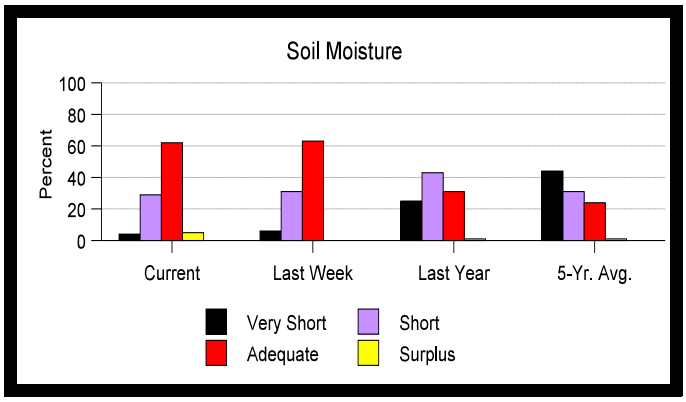
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	--	9	35	26	30
Apples	--	--	55	45	--
Chile	--	8	29	44	19
Corn	--	4	14	52	30
Cotton	--	--	12	58	30
Onions	--	--	15	40	45
Pecan	--	--	18	39	43
Wheat (All)	--	--	30	69	1
Cattle	--	2	47	39	12
Sheep	4	6	41	36	13
Range/Pasture	4	12	39	42	3



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	4	30	65	1
Northeast	5	24	69	2
Southwest	20	75	5	--
Southeast	--	23	64	13
State Current	4	29	62	5
State-Last Week	6	31	63	--
State-Last Year	25	43	31	1
State-5-Yr Avg.	44	31	24	1



WEATHER SUMMARY

The week started out quite warm statewide. A cold front pushed through the east on Thursday ushering in much cooler air with high temperatures dropping as much as 20 degrees at several locations. For the week, however, temperatures were above average at all stations. It was an active weather week with several days of thunderstorms and some severe weather as well. Tatum, with 3.13 inches, and Clayton, with 2.29 inches recorded the most precipitation for the week. Incomplete data at Capulin and missing data for the week at Ruidoso.

NEW MEXICO WEATHER CONDITIONS - MAY 23- 29, 2005

	Temperature			Precipitation				
Station	Mean	Maximum	Minimum	05/23 05/29	05/01 05/29	Normal May	01/01 05/29	Normal Jan-May
Farmington	70.9	93	47	0.00	0.42	0.67	4.53	3.15
Gallup	66.1	89	45	0.11	0.16	0.51	6.41	3.74
Capulin	56.4	84	39	0.23	1.31	2.30	7.16	5.16
Chama	59.6	82	38	0.00	1.91	1.11	14.18	7.72
Johnson Ranch	63.7	89	40	0.12	0.33	0.62	5.42	3.09
Las Vegas	59.6	88	43	1.82	2.38	1.82	7.14	4.36
Los Alamos	62.9	86	45	1.01	1.45	1.17	9.55	5.05
Raton	58.7	86	40	0.63	1.17	2.27	7.96	5.17
Red River	53.4	79	33	0.22	1.29	1.77	11.39	7.52
Santa Fe	65.6	92	45	0.02	0.43	1.22	6.97	4.09
Clayton	63.9	88	48	2.29	3.40	1.99	8.76	4.03
Clovis	68.9	98	53	0.91	1.63	1.87	6.23	4.17
Roy	62.1	89	46	0.26	1.13	1.84	6.27	3.98
Tucumcari	68.4	96	52	0.83	1.46	1.49	7.38	3.49
Grants	65.1	90	41	0.01	0.31	0.53	4.43	2.48
Quemado	61.6	88	36	0.36	0.53	0.50	4.12	3.45
Silver City	74.2	93	53	1.28	1.28	0.30	9.34	4.20
Albuquerque	73.1	96	55	0.09	0.40	0.50	5.85	2.46
Carrizozo	69.9	96	50	0.88	1.37	0.62	7.52	2.72
Socorro	71.9	96	44	0.21	0.50	0.52	4.27	1.93
Gran Quivera	68.4	94	46	1.84	2.14	0.82	7.96	3.70
Moriarty	65.1	92	44	0.37	0.80	0.97	6.70	3.07
Ruidoso	--	--–	--–	--	0.48	0.87	8.32	5.11
Carlsbad	75.4	104	59	1.14	1.91	1.16	5.38	2.65
Roswell	72.1	100	56	0.23	0.65	1.24	3.66	3.23
Tatum	69.1	101	53	3.13	3.79	2.09	6.51	4.14
Alamogordo	77.6	100	56	0.23	0.25	0.45	6.07	2.38
Animas	77.4	102	56	0.50	0.50	0.18	5.25	2.04
Deming	77.5	104	56	0.00	0.00	0.19	3.78	1.73
Las Cruces	75.1	103	42	0.49	0.52	0.29	4.35	1.55
T or C	77.6	102	59	0.37	0.37	0.49	3.51	1.89

(T) Trace (-) No Report (*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

NEW MEXICO-ARIZONA: There were 18,000 hired workers on farms and ranches in New Mexico and Arizona during the week of April 10-16, 2005, up 6 percent from last April. Average hours worked by all hired workers dropped to 44.8 hours a week compared to 45.7 hours last year. Wage rates for field workers were up from last April to $7.95 an hour, an increase of 40 cents. Livestock worker wages also increased to $9.40, compared to $8.20 an hour in April 2004. Overall, average wage rates for all hired agricultural workers improved to $9.18 an hour, up 10 percent from this time last year.

UNITED STATES: There were 978,000 hired workers on the Nation's farms and ranches during the week of April 10-16, 2005, down 10 percent from a year ago. Of these hired workers, 746,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 232,000 workers. Farm operators paid their hired workers an average wage of $9.34 per hour during the April 2005 reference week, up 11 cents from a year earlier. Field workers received an average of $8.55 per hour, up 8 cents from last April, while livestock workers earned $9.23 per hour compared with $8.95 a year earlier. The field and livestock worker combined wage rate, at $8.73 per hour, was up 14 cents from last year.

Workers on Farms, Hours worked Per Week, and Wage Rates for All Hired Workers, Selected Regions and U.S., April 2004-2005 [1/]

	Mountain II [2/]		Mountain III [3/]		Southern Plains [4/]		United States [5/]	
	Apr 11-17 2004	Apr 10-16 2005	**Apr 11-17 2004**	**Apr 10-16 2005**	Apr 11-17 2004	Apr 10-16 2005	Apr 11-17 2004	Apr 10-16 2005
Workers on Farms	----------Thousands----------							
All Hired Workers	26	20	**17**	**18**	46	55	827	746
Hours Worked	----------Hours Per Week----------							
All Hired Workers	40.8	41.6	**45.7**	**44.8**	41.0	42.3	40.6	39.8
Wages By Work	----------Dollars Per Hour----------							
Field	9.66	7.70	**7.55**	**7.95**	7.50	8.13	8.47	8.55
Livestock	8.83	8.41	**8.20**	**9.40**	7.93	9.15	8.95	9.23
Field & Livestock	9.29	8.02	**7.81**	**8.51**	7.62	8.53	8.59	8.73
All Workers	9.84	8.50	**8.37**	**9.18**	8.13	9.28	9.23	9.34

[1/] Excludes agricultural service workers. [2/] Mountain Region II consists of CO, NV & UT. [3/] Mountain Region III consists of AZ & NM. [4/] Southern Plains region consists of OK & TX. [5/] Excludes AK.

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DAIRY OUTLOOK

USDA, ERS, MAY 19, 2005

2006 Milk Production Expansion To Outstrip Demand Growth: Milk and dairy product prices are expected to fall again in 2006. Expansion in milk production is projected to accelerate after more than 2 years of relatively strong returns. Production growth is expected to surpass demand gains (particularly for skim solids), leading to the lower prices. Even so, farm milk prices are projected to stay considerably above the low prices of 2002-03.

The strong returns of late 2003 through early 2005 and the expected good returns for the rest of 2005 have generated strength in milk cow numbers. Relatively few farmers have exited dairying because recent returns have bolstered their staying power, a pattern that is likely to continue through 2006. Meanwhile, the number of producers wishing to add substantial new facilities probably has risen considerably, following a 2-year rest after the last expansionary surge. However, continued tight replacement heifer markets, likely tight alfalfa supplies in the Northwest, the generally lackluster prospects for dairy quality forage, and the lengthening time needed for governmental approvals probably will inhibit expansions during the rest of 2005. By 2006, the effects of these problems should lessen.

Milk cow numbers are expected to stay near early 2005 levels during the rest of this year, before drifting higher as 2006 progresses. If so, 2006 milk cow numbers would average about unchanged, following a very small fractional decrease in 2005.

Milk per cow should continue to recover in 2006. Incentives for heavy concentrate feeding will remain quite favorable. Milk per cow is projected to grow more than 2 percent in 2006, slightly faster than 2005's expansion. However, such increases may hinge on the availability of good 2005 forage in light of the apparently very tight stocks of high quality hay at the start of the current forage year.

Gains in demand for dairy products are expected to be fairly substantial. Growth in the economy and consumer income is forecast to stay good. Consumer debt may be the most vulnerable point. Demand could soften if interest rates rise more than currently expected, forcing reductions in expenditures for consumption.

Export demand for nonfat dry milk is projected to stay good through at least most of 2006. New Zealand milk production may rebound in its 2005/06 season, and European export supplies could creep larger if milk production returns to quota levels. However, Australian output probably will be stagnant even if the current dry conditions do not worsen. Continued strong demand for milk powders is likely to readily absorb the small increase in other exporters' supplies, and substantial amounts of U.S. powder probably will be needed to meet import needs.

Farm milk prices are projected to fall more than $1 per cwt in 2006, following a slightly smaller decrease this year. Although 2006 prices are expected to be much lower than the 2004 record, they are projected to be near the 2000-04 average. Healthy demand likely will remain the key to absorbing record output at such relatively favorable prices.